GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s.Linde India Limited, for their Air Separation Unit (ASU) in South AP (Nellore District) with an investment of Rs. 500 Crore and employment generation for 500 persons in two phases and their Food lab at Bhimavaram, West Godavari District with an investment of around Rs. 10.00 Crore – Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 60 Dated: 09-05-2016

Read the following:-

1. From the Managing Director, M/s. Linde India Limited Dt:Nil.
2. Empowered Committee of Secretaries Meeting held on 29.03.2016.
3. State Investment Promotion Board Meeting held on 11.04.2016.

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O R D E R

In the reference 1st read above, M/s. Linde India Limited have informed that they propose to set up a Food Lab & Learning Centre with an investment of around Rs. 10.00 Crore at Bhimavaram, West Godavari District to spread awareness about its cryogenic food freezing technology among the Food processing fraternity, food associations and exporters. The cryogenic technology for food processing industry requires a continuous supply of Liquid Nitrogen to the Food Lab along with all the Food Processing Units. As the market for gases in Andhra Pradesh is in its nascent stage Linde also proposes to set up a new Air Separation Unit (ASU) in South AP (Nellore District) with an investment of Rs. 500 Crore and employment generation for 500 persons in two phases. The company has requested the following support from the Government of Andhra Pradesh:

Company requests for ASU:

(i) Power subsidy of 2 INR/KWH for a period of 10 years to support low product cost to the food freezing sector
(ii) To provide reliable 24X7 power supply. Further, and to insulate Linde from any restriction and control measure (Load Shedding / Power Holiday), if imposed during power shortage
(iii) To exempt its Air separation unit from electricity duty for a period of 10 years to support low product cost to the food freezing sector
(iv) To extend the capital subsidy of 25% of capital invested to the Air Separation units as the overall investment is capital intensive
(v) Interest subsidy of 7% p.a. on term loan taken for fixed capital investment be extended to Linde for a period of 10 years
(vi) 100% VAT/ CST / SGST reimbursement for 10 years and to process reimbursements expeditiously within maximum period of 6 months from date of application.
(vii) 100% reimbursement of stamp duty and transfer duty paid on purchase/lease of land/shed/building for Air separation unit under AP Food Processing policy 2015-20.
(viii) Water at 50% concessional rate as per Automobile policy be provided.
(ix) An approx. land size of 10 acres to be allotted at the earliest to Linde in close proximity to 133 KVA source power
(x) State to provide speedy state level approvals under single window system within a period of 60 days.

(P.T.O)

Company requests for Food Lab:

(i) An approx. land size of 1 acre to be allotted at the earliest to Linde in close proximity Bhimavaram
(ii) To extend the capital subsidy of 25% of project cost to the Food Lab as the overall investment is capital intensive
(iii) Interest subsidy of 7% p.a. on term loan taken for fixed capital investment be extended for a period of 10 years
(iv) 100% of VAT/CST or SGST will be reimbursed for a period of 10 years
(v) 100% reimbursement of stamp duty and transfer duty paid on purchase/lease of land/shed /building for Food Lab under AP Food Processing policy 2015-20.
(vi) Water at 50% concessional rate.

2. In the reference 2nd read above, the Empowered Committee of Secretaries has discussed the proposal of M/s. Linde India Limited and has recommended certain incentives/benefits for the unit to the SIPB.

3. In the reference 3rd read above, the State Investment Promotion Board (SIPB) has discussed the proposal of the ASU project of M/s. Linde India Limited in detail and decided to extend the following incentives as the technology is new and expected to contribute in improving the quality of processed marine/aqua foods:

(i) Reimbursement of 100 % VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100 % fixed capital investment, whichever is earlier.
(ii) Fixed Power cost reimbursement of @ Rs. 2.00/unit for a period of 5 years.
(iii) Water supply to the unit @ Rs. 15/- per KL for 5 years only.
(iv) All other incentives as per the Industrial Development Policy 2015-20.

5. The SIPB has discussed the proposal of Food lab of M/s.Linde India Limited with an investment of around Rs. 10.00 Crore at Bhimavaram, West Godavari District and decided to extend Capital subsidy of 25% on the cost of Plant & machinery limited to Rs. 1.00 crore.

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby decide to extend the following incentives to M/s.Linde India Limited:

(a) For the Air Separation Unit (ASU) in South AP (Nellore District) with an investment of Rs. 500 Crore and employment generation to 500 persons in two phases:

(i) Reimbursement of 100 % VAT & CST for a period of (7) years from the date of commencement of commercial production or upto realization of 100 % fixed capital investment, whichever is earlier.
(ii) Fixed Power cost reimbursement of @ Rs. 2.00/unit for a period of 5 years from the date of commencement of commercial production.
(iii) Water supply to the unit @ Rs. 15/- per KL for 5 years only from the date of commencement of commercial production.
(iv) All other incentives as per the Industrial Development Policy 2015-20.

(b) Capital subsidy of 25% on the cost of Plant & machinery limited to Rs. 1.00 crore to their Food Lab with an investment of around Rs. 10.00 Crore at Bhimavaram, West Godavari District.

(contd..)

5. The Director of Industries, A.P, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, A.P., Hyderabad.
M/s. Linde India Limited through the DOI, A.P., Hyderabad
Copy to:
The Finance (FMU-Rev.IC)Dept.,
Water Resources Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The Collector & District Magistrate, Nellore District.
The Collector & District Magistrate,West Godavari District.
The General Manager, District Industries Centre, Nellore District
West Godavari District.
The Zonal Manager, APIIC, Nellore District & Kakinada.
P.S. to Principal Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
File C.No.5101/P&I/A1/2016.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER